

Building Organization's Innovation Portfolio:

Organizational Star Trek: "Boldly Go Where No One Has Gone Before"



I recently saw a few episodes of the old classic "Star Trek". I am sure many of us have seen the series and enjoyed the futuristic sci-fi world that it propelled us into. The introductory speech (each episode starts with it) which is as follows, resonated, and triggered a business connect!

"Space: the final frontier. These are the voyages of the Starship Enterprise. Its five-year mission: to explore strange new worlds. To seek out new life and new civilizations. To boldly go where no man has gone before!"

A quick check on the background of this quote yielded an interesting fact. This quotation was taken from Introduction to Outer Space, a White House booklet published in 1958 to garner support for a national space program in the wake of the Sputnik flight. It read on **page 1**: **"The first of these factors is the compelling urge of man to explore and to discover, the thrust of curiosity that leads men to try to go where no one has gone before."**

This desire to discover and innovate has led to numerous breakthrough innovations which have solved for several critical "world problems" and made life healthier and more enjoyable. Organizations and individuals continue their quest to innovate so that we lead a healthier and better life and also leave a better world for our children.

Star Trek and Innovation in Business

Specifically talking from an organizational and business context, shortening product/service and business life cycles, disruptions to the business landscape by startups/new entrants are challenging organizations to become agile and innovative. Most companies are aware of this and hence grapple with the question - "what's the new opportunity that will enable continued leadership and "X" times growth/ enable us to disrupt the marketplace?" They also give the obvious answer - **"we need to innovate!"**

Several surveys have shown that majority of the CEOs believe that innovation is critical to growth and de-risking business models. Most CEOs have innovation as the top action item on their agenda. Several organizations are attempting to build their innovation portfolios. However, more often than not the opportunities identified are incremental and the breakthrough/ radical innovation opportunities are far and few! So, what stops or hinders identification of such breakthrough opportunities? Now this star trek quote got me thinking. If innovation is so critical for growth and de-risking the future then have organizations done the needful for building their innovation portfolio?

Have Organizations–

- **Created their own vehicle for discovering opportunities to innovate?** Have they created their own “starship Enterprise” equivalent with a clear mandate?
- **Established a team of innovators** with the likes of Captain Kirk and Mr. Spock? A team that has the courage and mindset to explore without getting worried about risks involved.
- **Provided the resources for their innovation vehicle** to take wings and break paradigms and go into areas which challenge domain and convention?
- **Allowed for non-definitive (proven ROI based) exploration for identifying opportunities?** The crew of the Starship Enterprise would not have gone on their adventures had they not had the backing to do so without fear of reprisals or “what was the benefit from that quest” kind of questions!
- **Put in place a different and structured approach for opportunity exploration?** The Starship Enterprise did have its own charter and protocols for their expeditions.

The above factors shed light on the restraining forces that exist in organizations in this journey. Some of the restraining forces are –

- Lack of clear mandate for identification of innovation opportunities
- No separate approach/ method for exploration
- Inability to go against the grain and well-oiled organization machinery/ systems
- Over reliance on traditional new product development method/s
- Going with the flow – lots of technology led initiatives
- Thinking solution/ talking in certainties even before the opportunities have been identified
- Questions on ROI/ benefits even when “knowledge” associated with the opportunity is low

The new paradigm for opportunity identification requires overcoming above ‘restraining forces’ and putting in place an organizational “Starship Enterprise” with a clear mandate to explore.

Organizations should ensure that they define a robust process for building the “innovation opportunity portfolio”. A recommended process is presented in **Exhibit 1**.

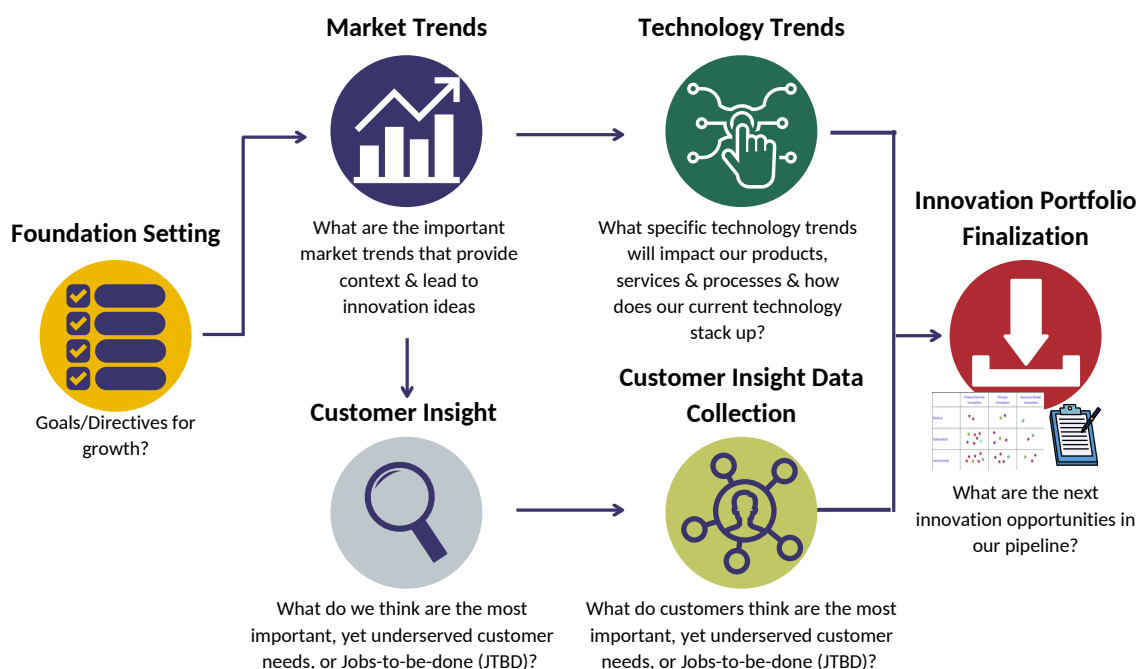


Exhibit 1 – Building the innovation Opportunity Portfolio – Roadmap

During Opportunity Exploration, focus is on determining **market and technology trends** and **getting a deep understanding of underserved customer needs**. Understanding trends and exploring how consumers, companies, industries, and markets respond to these provides the context needed to **identify future opportunities** resulting in new business models, products, and services.

The opportunities identified in the innovation portfolio are typically radical/ breakthrough and substantial and are spread across processes, products, and business models (see Exhibit 2).

	Product/service Innovation	Process Innovation	Business Model Innovation
Radical	★ ★	★ ★	★
Substantial	★ ★ ★ ★ ★ ★ ★	★ ★ ★	★ ★
Incremental	★ ★ ★ ★ ★ ★ ★	★ ★ ★ ★ ★	★ ★ ★

Exhibit 2 - The Innovation Opportunity Portfolio (★= opportunity)

The typical time horizon for converting these opportunities into commercial success is medium-term to long-term.

Stargazing - The bottom-line

Organizations must include this element of portfolio creation in their strategy process and ensure that the portfolio is not a static document. It must be lived and an appropriate infrastructure should be put in place for the required approvals for finalization of the opportunities in the portfolio. These approval processes should not use traditional yardsticks for opportunity evaluation since at the initial stages there would be more **“assumptions” than “knowledge”**.

Board of Directors of companies should demand from the leaders an active **“innovation opportunity portfolio”** for review. They should review progress on a periodic basis so that future bets are approved. This demand of accountability from the organization for sustained growth will create the required urgency and motivation.

